

in part, I agree with him that the homestead exemption should be funded. I voted against that bill last year. I voted to uphold the Governor's veto. However, that veto was overridden and we have, as a result, we have an \$18.3 million homestead bill and I agree with Senator Beutler that that should be funded. I do not agree that this has to be the vehicle which funds it. You can increase the sales tax rate. You can increase the income tax rate or a combination of those things to do the very same thing. But then what happens? When you increase those rates, the people out there know that those rates have gone up instead of doing it by a sort of a backdoor method here that we hope down deep in our hearts that the people won't recognize, but because you and I both know who is going to be paying the 23 and 24 million dollars that this bill raises. You know it is going to be the consumer, it is going to be us. And besides that bill is not going to raise that much because there is going to be less income tax paid. If those businessmen out there have to pay the utility...the tax on the utilities, then they are not going to be paying income tax on that amount of money because that is going to increase their costs. So the net effect will be somewhat less than the \$23 million we see here. But to get back to the homestead exemption, certainly we should fund that and we must fund it because to do otherwise makes the other property taxpayers in the county pick up that amount, that amount. The total valuation goes down in the county by \$3,000 per household so the total valuation goes down so the levy must go up and that levy is not only applied to the homeowner but also to the businessman, to the farmer, and it is really a negative property tax relief for those other entities, for the farmers and for the businessmen. So certainly that \$18.3 million should be funded by this body but it does not necessarily have to come from LB 715.

SPEAKER NICHOL: Senator Nelson, please, then Senator Beutler.

SENATOR NELSON: Mr. Speaker, members of the body, I have just changed my mind and decided not to respond. I, too, have been getting a lot of correspondence on the sales tax on utilities. I know we all want everyone else to pay our taxes and the longer I am down here the "tireder" I get of hearing that and the more determined that I become to make hopefully each one pay his own share. I know most of you sent to your homes over the weekend or the past week was the